

[10th March 1960]

## இணைப்பு IV.

[மேலும் விவரம் காண, இரண்டாவது ஐந்தாண்டுத் திட்ட இணைப்பைப் பார்க்கவும்.]

சென்னை அரசாங்கத்தின் இரண்டாவது ஐந்தாண்டுத் திட்டங்களின் செலவின் விவரம் காட்டும் பட்டியல்.

வளர்ச்சித் துறைகள்.	ஒத்திய மொத்தத் தொகை.	1956-57-ல் செலவானது.	1957-58-ல் செலவானது.	1958-59-ல் செலவானது.	1959-60-ல் செலவின் திருத்தப்பட்ட மதிப்பீடுகள்	1960-61-ல் செலவு மதிப்பீடு.	ஐந்து மொத்தம் (1956-57 முதல் 1960-61 முடிய).
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(ரூபாய் இலட்சத்தில்)							
1. விவசாயம், சமூக நலம்—							
விவசாய உற்பத்தி .. .. .	2,82	34	61	82	1,25	1,42	4,44
சிறிய நீர்ப்பாசனத் திட்டங்கள்.	3,42	69	60	1,17	1,43	1,67	5,56
நில அபிவிருத்தி .. .. .	29	4	6	4	12	14	40
கால்நடை பராமரிப்பு .. .. .	2,16	9	30	36	54	66	1,95
பால் பண்ணையும் பால் வழங்கலும்.	1,42	11	19	17	52	63	1,62
காடுகள், மண் அரிப்புத் தடுப்பு.	2,10	19	37	40	58	62	2,16
மீன் வளம் .. .. .	95	10	12	17	25	21	85
கூட்டுறவு .. .. .	2,08	8	30	30	52	62	1,82
சமுதாய நலத் திட்டங்கள் .. .. .	13,92	2,09	2,05	2,65	2,88	3,08	12,75
மொத்தம்—1. .. .. .	29,16	3,73	4,60	6,08	8,09	9,05	31,55
2. நீர்ப்பாசனமும், மின்சக்தியும்—							
நீர்ப்பாசனம் .. .. .	12,34	4,17	3,04	2,56	2,97	1,71	14,45
மின்சாரத் திட்டங்கள் .. .. .	63,25	13,47	13,41	14,76	23,41*	12,08	77,13
மொத்தம்—2. .. .. .	65,59	17,64	16,45	17,32	26,38	13,79	91,58
3. தொழில்—							
பெரிய, நடுத்தரத் தொழில்கள் .. .. .	76	25	20	17	30	6	98
கைத்தறி .. .. .	4,14	1,62	1,16	1,23	1,25	1,29	6,55
கைவேலைகள் .. .. .	57	..	4	7	8	14	33
தொழிற்பண்ணைகள் .. .. .	95	6	38	31	27	29	1,31
சிறு ரகத் தொழில்கள் .. .. .	3,54	19	85	91	1,00	1,09	4,04
பட்டுத் தொழில் .. .. .	2	1	1	1	2	1	6
கயிறு உற்பத்தி .. .. .	2	..	2	2	1	6	11
இராமத் தொழில்கள் (திட்டத்தில் சேர்க்கப்படாது).	..	..	..	..	1	4	5
மொத்தம்—3. .. .. .	10,00	2,13	2,66	2,72	2,94	2,98	13,43

\* ரூந்தாத் திட்டத்திற்காக கனடா தேசத்திலிருந்து பெறப்பட்ட சாதனங்களின் விலையாக ரூ. 9,31 லட்சங்களும் சேர்த்துள்ளது.



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சென்னை அரசாங்கத்தின் இரண்டாவது ஐந்தாண்டுத் திட்டங்களின் செலவின் விவரம் காட்டும் பட்டியல்—தொடர்ச்சி.

வளர்ச்சித் துறைகள்.	ஒதுக்கிய மொத்தத் தொகை.	1956-57-ல் செலவானது.	1957-58-ல் செலவானது.	1958-59-ல் செலவானது.	1959-60-ல் செலவின் திருத்தப்பட்ட மதிப்பீடுகள்.	1960-61-ல் செலவு மதிப்பீடு.	ஆண்டு இறுதி (1956-57 முதல் 1960-61 முடிய).
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(ரூபாய் இலட்சத்தில்)						
4. போக்குவரத்தும், சாலை வசதிகளும்—							
சாலைகள் .. .. .	6,78	67	89	1,05	1,33	1,40	5,34
சுற்றுப் பயணம் .. .. .	12	..	..	..	2	2	4
மொத்தம்—4. ..	6,90	67	89	1,05	1,35	1,42	5,38
5. கல்வி—							
கல்வி .. .. .	10,33	73	1,77	2,19	2,89	3,70	11,28
தொழில் நுட்பக் கல்வி ..	1,21	17	33	51	55	52	2,08
மொத்தம்—5. ..	11,54	90	2,10	2,70	3,44	4,22	13,36
6. சுகாதாரம்—							
தன்னீர் வழங்குதல்—							
நகர்ப்புறம் .. .. .	1,78	1,38	79	81	97	1,23	5,18
நாட்டுப்புறம் .. .. .	3,16	34	56	59	82	61	2,92
இதர சுகாதாரத் திட்டங்கள்.	9,41	38	74	1,11	2,29	2,23	6,75
மொத்தம்—6. ..	14,35	2,10	2,09	2,51	4,08	4,07	14,85
7. வீட்டு வசதி .. .. .	2,87	73	50	92	91	92	3,98
8. பின்னிலை வகுப்பினர் நலன் ..	5,06	50	68	89	1,05	1,25	4,32
9. தொழிலாளர் நலன் .. .. .	59	2	4	11	12	18	47
10. சமூக நலன் .. .. .	28	2	1	1	8	10	22
11. நானாவகை .. .. .	2,07	23	28	30	42	46	1,69
(கூட்டுக)—இன்னும் சரிக்கட்ப்பட்டுவண்டிய தொகை.	50	..	..	..	..	..	..
(கூட்டுக)—கதர், குடிசைத் தொழில்களுக்கு ஒதுக்கியுள்ள தொகை.	* 3,36	* 8	* 38	* 50	* 85	* 47	* 2,28
பெரு மொத்தம் ..	1,52,27	† 28,67	† 30,25	† 34,61	† 48,86	† 38,44	† 1,80,83

\* மாதிலத் திட்டத்துக்குப் புறம்பானதாக வைக்கப்பட்டுள்ளது.

† கதர், குடிசைத் தொழில்களுக்கு ஒதுக்கியுள்ள தொகை நீங்கலாக.



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*English translation of the speech of Sri C. Subramaniam, Finance Minister, presenting the Budget for 1960-61 to the Madras Legislature on the 10th March 1960.*

Sir,

**Introductory.** I rise to present the Budget Estimates for 1960-61. The Accounts for 1958-59 and the Revised Estimates for 1959-60 are also before the House. The Accounts for 1958-59 show a Revenue surplus of only Rs. 1,60 lakhs as against the surplus of Rs. 2,65 lakhs anticipated in the Revised Estimates for that year. As against the original estimates of a revenue surplus of Rs. 1,39 lakhs in the current year, we now expect a surplus of Rs. 58 lakhs. The Budget Estimates for 1960-61 show a Revenue deficit of Rs. 34 lakhs. The deficit will be larger if we take into consideration the additional expenditure likely to be incurred on the recommendations of the State Pay Commission. We have however left the deficit uncovered and are not proposing any measure of additional taxation.

This being the Budget for the last year of the Second Five-Year Plan, it assumes a special significance. We are now in a position to assess the degree of success achieved in implementing the Second Five-Year Plan. It is only on the basis of the achievements of the Second Plan that we can shape the size and content of the Third Plan. It will not, therefore, be inappropriate to place before the House certain details regarding the Second Five-Year Plan of the State.

**Agriculture.**

2. Development of agriculture is a necessary foundation for the growth of our economy because large-scale industrial expansion will be practicable only on the basis of increasing agricultural production. Besides, in a country like ours where the vast majority of the people are agriculturists,



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their general standard of living can be raised only by stepping up agricultural production. This was why the Second Five-Year Plan gave prominence to schemes intended to increase agricultural production.

So far as food production is concerned, we had aimed at an additional production of 12.79 lakh tons per annum by the end of the Second Five-Year Plan. In order to achieve this aim, we undertook development schemes under the following broad heads:—

- (1) Major Irrigation,
- (2) Minor Irrigation,
- (3) Land development and soil conservation,
- (4) Fertilisers and improved seeds, and
- (5) Improved agricultural practices.

The following figures will show to what extent the production of the various commodities has increased:—

	1955- 56.	1956- 57.	1957- 58.	1958- 59.	1959- 60.	Increase in production in the four years.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(LAKHS TONS)					
Rice .. ..	29.55	31.96	32.36	32.98	34.19	4.64
Millets .. ..	14.66	14.83	15.27	15.35	15.70	1.04
Total food- grains.	44.21	46.79	47.63	48.33	49.89	5.68 (roundly 6 lakh tons).
Groundnut ..	8.27	8.69	9.11	9.08	9.14	0.87
	(LAKHS BALES)					
Cotton .. ..	3.11	3.39	3.46	3.56	4.05	0.94
	(LAKHS TONS OF GUR.)					
Sugarcane ..	3.35	3.26	4.03	3.84	3.92	0.57

We now expect that an additional food production of about 9 lakh tons only would be achieved as against the target of 12.79 lakh tons.



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The main reason for this shortfall is that our requirements of chemical fertilisers have not been met in full. We may hope to cover this deficit by 1962 when the Neyveli fertiliser plant is expected to go into production. This plant will produce 150,000 tons of Urea equivalent to 350,000 tons of ammonium sulphate. We are now making more satisfactory arrangements for the equitable distribution of the limited supplies during the intervening period. In the current year 1.09 lakh tons of chemical fertilisers would be distributed and we hope to secure 2.07 lakh tons in 1960-61.

Many schemes have been taken up to increase the production of natural and organic manures to supplement the supply of chemical fertilisers. Compost schemes are in force in all municipal towns and Major Panchayats. Lands are being acquired in certain Panchayats where suitable sites are not available for compost-making. The following quantities of compost have been distributed under this scheme:—

	(LAKHS TONS)
1956-57	2.53
1957-58	2.59
1958-59	2.80
1959-60 (anticipated)	3.00
1960-61 (anticipated)	4.00

In my last Budget speech, I had referred to the rural compost scheme. The quantities produced under this scheme are as follows:—

	Night-soil compost.	Compost.
	(IN LAKHS TONS)	(IN LAKHS TONS)
1956-57	.. ..	1.73
1957-58	.. ..	1.27
1958-59	.. ..	9.54 (including blocks)
1959-60 (anticipated)	.. ..	9.00 Do.
1960-61 Do.	2.37	12.50 Do.



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We may note with satisfaction that Madras is the leading State in the use of green manures. In 1960-61 we hope to distribute 1,500 tons of green manure seeds to cover 38 lakh acres as laid down in the original target.

3. Sustained efforts are being made to correct the defects noticed in the running of State Seed Farms. These Farms may be expected to function efficiently by providing them with permanent farm-servants, plough-bulls and necessary agricultural implements. One hundred and ninety Seed Farms would be established by the end of the Second Plan period. In the current year 22,000 tons of improved seeds would be distributed covering an area of 30.30 lakh acres. In the next year, we hope to distribute 29,000 tons of improved seeds. Our efforts during the First and Second Plan periods have thus enabled us to cover the entire area under paddy with improved seeds.

4. The various measures so far detailed have resulted in an appreciable increase in the yield per acre. I had discussed the relevant statistics in the Budget speech of last year. The average yield per acre of cleaned rice in our State stands at 1,300 lb. as against the All-India average of 816 lb. for 1958-59. The estimates for the current year show a further improvement to 1,344 lb. per acre. Indeed these figures are encouraging, but we should keep in mind that the average yield per acre is 2,650 lb. in Japan, 2,150 lb. in the United States of America and 1,610 lb. in China. The agriculturists of our State can also do equally well if only they are provided with the necessary facilities. It is on this hope that the Ford Foundation of America has now offered assistance to implement what is known as the 'Package Plan' in any one district of our State. Under this Scheme, Government will meet the full requirements of the agriculturists in the matter of



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credit, fertilisers, pesticides and improved seeds. We have decided to implement the scheme in the Thanjavur district.

**Oil-seeds.**

5. The Second Plan target in oil-seeds is an additional production of 1.66 lakh tons. In the first three years, an additional production of 0.66 lakh tons was achieved. The additional production in the current year is expected to be 1.53 lakh tons. It will therefore be possible to fulfil the Plan target by the end of 1960-61.

**Cotton.**

6. The target in the Second Five-Year Plan was to increase the production of cotton by 1.55 lakh bales. The increase in production by the end of the current year is expected to be 0.94 lakh bales. The Plan target will be achieved in full by 1960-61.

**Sugarcane.**

7. We have undertaken various schemes to increase the production of sugarcane. Two Sugarcane Zonal Farms have been established in Vada-pathimangalam and in Pandiarajapuram. Besides the Central Sugarcane Research Station at Cuddalore, two Regional Research Stations are now functioning at Kumaramangalam in Tiruchirappalli district and Gudiyatham in North Arcot. A scheme has been organized for the control of insect pests affecting sugarcane. Arrangements for soil testing have also been made in order to select the most suitable soils for sugarcane cultivation. As a result of these and other schemes we may confidently hope to achieve the Second Plan target of an additional production of 10 lakh tons of sugarcane per annum by the end of the next year. On the basis of present consumption, there is a deficit of 40,000 tons in the production of sugar in this State. The deficit may go up to 60,000 tons by the end of the Third Plan period. In order, therefore, to be self-sufficient in sugar, we have to plan for an additional production of 6 lakh tons of sugarcane in the Third Plan.



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8. Our aim in the Second Plan was to undertake **Cashew.** cashew cultivation on 46,000 acres of forest lands. At the end of the current year, 38,000 acres would be covered and it has been proposed to cover another 9,000 acres in the next year. Under the scheme for assisting ryots to take up cashew cultivation on patta lands, 7,000 acres would be planted in the first four years of the Plan and another 7,000 acres in the final year.

9. With a view to increasing coconut plantations **Coconut.** a Regional Research Station has been established at Veppankulam in Thanjavur district. Coconut nurseries have been set up in Pattukkottai, Tindivanam, Kanyakumari, Shenkottai and Coimbatore. In 1960-61, 2-50 lakh seedlings would be distributed to ryots from all the nurseries.

10. In order to popularise progressive methods of **Agricultural Education and Research.** agriculture, we need a large number of agricultural graduates. To meet this need, the facilities available in the Agricultural College, Coimbatore, have been expanded and the graduate course started in the Annamalai University. The number of admissions to the graduate course in the Agricultural College, Coimbatore, was increased from 108 to 162 in the first year of the current Plan. Post-graduate facilities have since been introduced in this College. Necessary buildings, staff and equipment have also been provided. In 1960-61, the Agricultural Research Stations at Kovilpatti, Tindivanam, Aduthurai, Periakulam and Cuddalore will be upgraded to Regional Research Stations. The Research Station at Coimbatore will continue to function as the Central Institution.

11. We had programmed soil conservation **Soil conservation.** measures over 100,000 acres in the Second Plan period. Forty-eight thousand acres were covered up to the end of 1958-59, 29,000 acres would be covered



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in the current year and another 36,000 acres would be taken up in 1960-61. We may therefore expect that 113,000 acres in all would be benefited by this scheme during the current Plan.

In order to remove the difficulties experienced in the execution of Soil Conservation schemes, the Madras Land Improvements Act, 1959, has been recently passed. Under this Act, it will be possible to take up soil conservation works even if some of the beneficiaries do not give their consent. Under the present system the department meets the entire cost of the work and no portion of the expenditure is collected in advance from the landowners. It would be possible to reduce the cost to the Government if the landowners themselves can do the earth-work after the levels are marked by the technical staff. This procedure will also enable the better utilization of the idle manpower of villages. This proposal is now under examination.

**Soil testing.**

12. For the optimum use of fertilisers and seeds it is necessary to have detailed knowledge of soil conditions as obtained by analysis in the laboratory. A soil testing laboratory was being run by the Union Government at Coimbatore with aid from the Technical Co-operation Mission, till 31st August 1959. This institution has since been taken over by the State Government. Efforts will be made in the Third Plan to set up soil testing laboratories at the rate of one in each district.

**Major Irrigation.**

13. Out of nine major irrigation schemes taken up in the First Plan, two were completed during the First Plan itself. The remaining seven projects, viz., Mettur canals, Amaravathi, Manimuthar, Araniar, Vaigai, Sathanur, and Krishnagiri have since been completed. The following new schemes were taken up in the Second Plan: (1) Kattalai



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High Level Channel, (2) Pullambadi Canal, (3) Vidur Reservoir, (4) Parambikulam-Aliyar Project, (5) Neyyar Second Stage and (6) Medium Irrigation schemes in Kanyakumari district. The first stage of the first two of these projects was completed in September 1959. The Vidur Reservoir was completed in December 1959. The remaining works on the Kattalai and Pullambadi schemes will be completed in 1960-61. We had aimed at bringing 2.92 lakh acres under irrigation under the projects mentioned above during the Second Plan period. In the first four years of the Plan, 2.52 lakh acres would be brought under irrigation. An additional area of 0.40 lakh acres would be irrigated in 1960-61. We would therefore be able to cover 2.92 lakh acres by 1960-61 and fulfil the targets set in the Plan.

Our Engineers have not only executed the various irrigation projects with efficiency and speed but have also effected tangible savings within the sanctioned estimates. By careful planning, the time lag between the completion of the projects and the full development of the ayacut has also been reduced to a minimum. We must record our appreciation of the good work turned out by our Engineers.

The Parambikulam-Aliyar Project is the largest irrigation scheme initiated in the Second Plan period. The project was started in November 1958 and an outlay of Rs. 1 lakh was incurred in 1958-59 on preliminary works. About Rs. 1 crore will be spent on the project in the current year on preliminary works such as the selection of sites, construction of quarters and formation of roads and bridges. The construction of dams at Parambikulam, Tunaccadavu and Tirumurthi will be taken up in 1960-61. Work on the tunnel connecting the Parambikulam and Tunaccadavu dams and on the contour canal leading the water to the plains will also be taken up alongside. We have already



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commenced the construction of the Aliyar Dam and we may expect good progress on this work in 1960-61. The Pollachi and Uppar channels which will distribute the waters of this Project will also be started quickly.

Minor Irriga-  
tion.

14. Most of our major irrigation schemes have been completed. We will be able to take up new major schemes only after reaching agreements with neighbouring States for the diversion of waters surplus to their requirements. Certain negotiations towards that end are now in progress. In the meanwhile we can improve irrigation facilities only by the more economic utilization of the existing water resources and by expanding minor irrigation. The Planning Commission has also considered this question and decided to give priority to minor irrigation schemes. Apart from the fact that minor irrigation schemes are economical and quick yielding, the benefits are also more widely dispersed. We have therefore devoted particular attention in the Second Plan to minor irrigation schemes on which we have exceeded the targets. Every effort is being made to improve irrigation tanks of which 1,319 were completed in the first four years and 309 will be completed in 1960-61.

In recent years, a new programme of improvement of tanks is being undertaken. Under this scheme the silt in the deep bed of the tank is removed and used for strengthening the bund and raising the level of the foreshore lands. By this measure the capacity of the tank is improved and some additional land is reclaimed for cultivation. So far 29 tanks have been improved under this scheme and nearly 1,200 acres of land reclaimed. Nineteen works which are in progress and 20 new works will be executed in 1960-61. If the results show that the scheme is beneficial, the programme will be enlarged in the Third Plan.



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As against 3,000 filter points proposed for the five years, 1,472 filter points were completed in the first three years. We are taking up 600 filter points each in 1959-60 and 1960-61.

A new scheme of subsidy for sinking wells has been started from the end of 1958. A loan of Rs. 1,000 is granted for each well under the Land Improvement Loans Act and on the successful completion of the well, 25 per cent of the loan amount is treated as a subsidy. Three thousand wells will be taken up under this scheme in 1960-61.

The hire-purchase scheme for oil-engines and electric motors is also being continued. Two hundred and ninety-seven oil-engines and 592 electric pumpsets were distributed in the first three years. Sixty oil-engines and 96 electric pumpsets will be distributed in the current year and provision has been made for 175 oil-engines and 475 electric pumpsets in 1960-61.

15. Development of cattle-wealth is indispensable for the improvement of agriculture. A number of Animal Husbandry Schemes has been evolved for this purpose, of which the Key Village Centre Scheme is the most significant one. As against a target of 18 Key Village Centres in the Second Plan, 12 centres were opened in the first three years, 4 centres are being opened in the current year and 5 more centres will be opened in 1960-61 taking the total to 21 Key Village Centres. Animal Husbandry.

Nine artificial insemination centres have been opened in the first three years of the Plan. Four centres are being opened in 1959-60. Four more will be opened in 1960-61. The Plan target under this head will be exceeded by seven centres.

We had planned to open 41 Supplementary Extension Centres in the Second Plan period. Seventeen centres were opened in the first three



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years and 12 more in the current year. With the proposed 15 centres in 1960-61 the total will go up to 44 centres.

There are two Goshalas now functioning in Thanjavur district. It is proposed to open one more Goshala in 1960-61.

In the Second Plan a programme of providing a Mobile Unit for rendering veterinary aid for each district, is being implemented.

**Forests.**

16. Government have drawn up a number of schemes for the development of forests. In the first four years of the Plan, 74,000 acres have been planted with fuel forests, 7,000 acres with teak, 6,000 acres with softwood, 400 acres with bamboo, 200 acres with miscellaneous species, 16,000 acres with wattle, 2,000 acres with eucalyptus and 2,400 acres with casuarina. Fodder and pasture have been raised in 10,000 acres. In the coming year fuel forests would be planted on 16,000 acres, teak on 2,200 acres, softwood on 1,900 acres, wattle on 6,200 acres, bamboo on 90 acres and casuarina on 800 acres. Pasture will be raised on 1,500 acres. Apart from these schemes implemented by the State Government, the Government of India have decided to start a medicinal farm in the Nilgiris.

A new scheme to raise village farm forests will be implemented in 1960-61. Six thousand six hundred acres will be taken up for plantation under this scheme on an experimental basis in six Blocks in Chingleput, North Arcot and South Arcot districts. Another important new scheme is for planting rubber on 3,000 acres in Kanyakumari district on which we may hope to derive a fair return in coming years.

**Fisheries.**

17. Sixty-five Pablo boats have been built so far and distributed at concessional rates to Fishermen's Co-operative Societies and groups of fishermen. As



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there is a good demand for these boats, 37 boats will be distributed in the current year and 30 more in 1960-61. The scheme for distribution of nylon nets is being continued. Provision is also being made for financial assistance to Fishermen's Co-operative Marketing Societies in order to reduce their indebtedness and to enable better marketing. In the first three years a loan of Rs. 14 lakhs was distributed under this scheme. We will be distributing Rs. 4 lakhs in 1959-60 and a similar sum in 1960-61. Steps have been taken to build fishing harbours at Nagapattinam, Cuddalore, Royapuram and Leepuram. Two cold-storage plants are being installed in Tuticorin and Mettur. Two more will be set up in 1960-61 at Cape Comorin and Thangachimadam near Rameswaram. We are also formulating a scheme to establish a deep-sea fishing unit.

18. The State has been delimited into 360 development blocks each having a population of approximately 66,000. By the end of 1958-59 the Community Development Programme was extended to 176 blocks. By the end of the current year, there will be 211 blocks covering 10,500 villages, out of a total number of 18,000 villages in the State. Thirty-two more blocks will be taken up in 1960-61. Out of a total sum of Rs. 13.92 lakhs set apart for these schemes in the Second Plan, Rs. 6.78 lakhs was spent up to the end of 1958-59. With an estimated outlay of Rs. 2.88 lakhs in 1959-60 and Rs. 3.08 lakhs in 1960-61 the total expenditure during the Plan will be Rs. 12.74 lakhs.

19. The District Development Councils Act, 1959, came into effect from the 1st December 1959. District Development Councils have been established in all the districts at the rate of one for each of the districts of Nilgiris, Kanyakumari and Chingleput and two in each of the other districts. Various consultative committees in the districts have been



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dissolved and their functions have been entrusted to these Councils which are expected to co-ordinate the work of the various departments in the districts. The Madras Panchayat Act, 1959, has come into force from 1st January 1960 in the whole State except in the Kanyakumari district and the Shencottah taluk. Panchayats will be established in all villages before the end of 1960. It is now programmed to establish Panchayat Union Councils in three stages. In the first stage, Councils will be established on 2nd October 1960 in 75 blocks which are already covered by the Community Development Movement. One hundred and thirty Councils will be constituted on the 14th April 1961 as the second stage and the balance on 2nd October 1961 as the last stage. Funds will be provided in 1960-61 as required under the Act for running the Panchayats and the Panchayat Unions. The proposed entrustment of the Community Development Programme to the Panchayat Unions will constitute a far-reaching change in our administrative system in the sense that power which is now vested in the Government is being decentralised and dispersed to local representatives of the people. I appeal to all political parties to co-operate in creating a favourable climate for the proper functioning of these organizations which are undertaking new and heavy responsibilities and commend the desirability of the different political parties desisting from participation in the elections to Panchayats and Panchayat Union Councils.

Co-oper-  
tien.

20. We had originally programmed to cover 85 per cent of our villages and 45 per cent of the rural population by co-operative societies within the period of the Second Five-Year Plan. The Plan has since been revised to cover all the villages and 45 per cent of the rural population by the end of the current year. Rupees 19 crores of rural credit will be



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provided during the current year. Fifty per cent of the rural population will be covered by 1960-61 and Rs. 22.5 crores of credit will be provided.

So far credit has been extended by the Co-operative organization only to such ryots as have sufficient security to offer. The poorer sections of ryots and the cultivating tenants were left out. Government have therefore decided to guarantee the losses, if any, incurred by co-operative societies by extending credit to these 'uncredit-worthy' categories, with effect from 1960-61. A Guarantee Fund is being constituted for this purpose. It may be hoped that adequate credit will become available to all agriculturists in future.

Another important problem in regard to agricultural credit is the provision of medium-term loans. Co-operative societies are facing certain difficulties in obtaining sufficient resources for this purpose. We have contacted the Reserve Bank of India in regard to this and let us hope that adequate credit can be made available in the near future for this purpose also.

We had programmed to construct 245 godowns and establish 25 primary co-operative marketing societies during the Plan period. Fourteen co-operative marketing societies have been established in the first three years. Eleven co-operative marketing societies will be started during the current year. One hundred and ninety-three godowns would be completed by the end of the current year and 100 more will be built in 1960-61. Wherever necessary, co-operative marketing societies will continue to be established in the coming year.

21. As against the 30 Co-operative Farming Societies targeted, we have established 26 societies even in the first three years. Seventy-four societies are being established in the current year and 20 more societies will be started in 1960-61. Co-operative farming.



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Major industries.

22. Members may note with satisfaction that the Neyveli Lignite Project is progressing as expected. The total cost of this project is Rs. 86 crores of which the anticipated outlay in the Second Plan period is Rs. 49 crores. Rupees 11 crores had been spent up to the end of March 1959 and Rs. 15.47 crores would be spent in the current year. The most important part of this integrated project is the mining of 35 lakh tons of lignite per year. The lignite will be utilized as follows: 15 lakh tons out of the 35 lakh tons will be used to produce 2.5 lakhs k.w. of electric power, 5 lakh tons will be used in a fertilizer plant to produce 1.5 lakh tons of urea and the remaining 15 lakh tons would be used for making carbonised briquettes. The fertiliser plant and the briquette plant will go into production as scheduled early in the Third Plan period. It has been proposed to step up the mining programme to 60 lakh tons of lignite in the Third Plan.

Preliminary arrangements are under way for establishing a steel plant utilizing the lignite from Neyveli and iron ore from Salem. The Government of India have already constituted a Technical Committee to go into this question.

Honourable Members may also be aware of the steps being taken to take up an exploration of the Cauvery Basin for oil resources. The Government of India have at our request promised to further intensify these efforts.

An agreement has been concluded with a French firm to establish a raw film factory in the Nilgiris district and the factory is expected to go into production by the end of 1962. Rupees 5 crores will be spent on this Project in the first stage and 1,300 persons will be employed.

The Government of India have decided to set up a Surgical Instruments Factory at Guindy through the National Industrial Development Corporation.



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This Factory which is to be established with Soviet aid, will produce 20 lakhs surgical instruments of different kinds each year and provide employment to 2,000 persons.

The three co-operative sugar factories started at Madurantakam, Udumalpet and Ambur are nearing completion and are expected to go into production in 1960-61. Arrangements are in progress for the setting up of four more sugar factories.

Many major industries are being started by the private sector in the State. The caustic soda plant in Tirunelveli district which I referred to in my last year's Budget speech, has gone into production and is functioning smoothly. Buildings for the rayon factory in the Coimbatore district are coming up and preparations are being made for the erection of the machinery. The Madras Government have taken shares worth Rs. 10 lakhs out of the total share capital of Rs. 3.5 crores. One thousand five hundred persons will be employed in this factory. The Madras Cements, Limited, Rajapalayam, with an authorized capital of Rs. 1 crore is expected to go into operation in about the middle of 1960. The first stage of the factory will produce 66,000 tons per annum. Ultimately, it will produce 132,000 tons per annum and employ 700 persons.

The factory for manufacturing refractory bricks from the Salem magnesite ore started by Messrs. Burn and Company is nearing completion and may go into full production in 1961. This factory will have a capacity of 1,000 tons of refractory bricks every month.

Arrangements are in progress to establish an aluminium plant at Mettur with the collaboration of an Italian Firm.



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Messrs. Ramakrishna & Sons (Private), Limited, are starting a factory at Tiruvottiyur near Madras with French collaboration, for the manufacture of heavy machinery specialising in the machines required by the cement and sugar industries. Certain types of machines are being manufactured here already and steps are now being taken to expand the production.

A factory for the fabrication of railway wagons with a capacity of 1,000 units per year has been established at Pattabhiram near Avadi with a paid-up share capital of Rs. 1 crore in which the Madras Government have a token participation of Rs. 2 lakhs. Messrs. Seshasayee Brothers are establishing a paper factory at Mettur with a capacity of 50 to 60 tons of paper per day. Of the share capital of Rs. 4 crores required for this Project, the Madras Industrial Investment Corporation are making arrangements to subscribe Rs. 1 crore. The plant is being imported from America.

Messrs. T. V. Sundaram Iyengar & Sons, Limited, are proposing to establish a factory for the manufacture of wheels and rims with a capacity of 15,000 wheels and rims per month, at a capital cost of Rs. 1 crore.

Efforts are also being made to set up two fertiliser plants and it is hoped that these units will be set up in the near future.

It is no doubt true that many industrial units are being established in our State but there can be no doubt on the point that our industrial development is still far from adequate. We shall therefore have to redouble our efforts to set up many more heavy industrial units in our State. The integrated Neyveli Project and the Salem Steel Plant will be the base for this expansion.



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The National Council of Applied Economic Research has undertaken a survey of the possibilities of our industrial development. They have submitted a preliminary report which is under examination. We may hope that this will be of help in formulating our industrial programme for the Third Plan.

23. Under the Small-scale Industries programme Small-scale Industries. 19 model production centres, 19 common service workshops, 5 community welfare centres, 11 marketing centres, 1 Technical information centre, 1 raw material depot, and 6 production-cum-training centres had been planned. Out of the 19 model production centres proposed, 11 have already been established and are already manufacturing various useful articles. Six more centres are to be started in the near future. Various articles such as pressure die cast parts, ferrous castings, scientific glass apparatus, splints and veneers, dies, jigs and fixtures, centrifugal machines, bolts and nuts, cycle parts, sheet metal articles, etc., are being manufactured in these centres. We have programmed to establish a Structural Workshop at Mettur in 1960-61. A refractory plant would be established at Sivaganga in 1960-61. In the 6 training centres training has so far been given for 175 persons in carpentry, blacksmithy and allied crafts. Out of the 19 common service centres proposed in the Plan, 13 have been started already servicing many industrial units and 650 small-scale entrepreneurs have derived benefit so far. Three more common service centres will be set up very soon and 3 additional centres will be started in 1960-61. Three common tool shops will be started at Pettai, Tiruchirappalli and Virudhunagar in 1960-61. We have also been assisting private industrialists with loans to start small-scale industries. In the first three years of the Plan, loans amounting to Rs. 63



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lakhs have been disbursed to 7,700 persons. This programme is being continued on the same scale in the current and the next year.

**Industrial  
Estates.**

24. Two Industrial Estates and 5 Industrial colonies are now functioning. One more industrial colony will be established before the end of this month at Thanjavur. One hundred and fifty-seven out of 158 completed units in these Industrial Estates and Colonies have already been leased out. A further 61 units are under construction. Seventy-eight units are now engaged in production in the Guindy Estate as against 52 units in January 1958. Two new Industrial Colonies are programmed to be built at Salem and Katpadi. Thirteen Industrial Co-operative Societies have so far been established during the Plan period. Rs. 3,54 lakhs were set apart for small-scale industries as a whole during the Second Five-Year Plan. Out of this Rs. 1,95 lakhs were spent in the first three years. In the current year Rs. 1,00 lakhs will be spent and Rs. 1,09 lakhs have been provided for in 1960-61. Thus over the 5 years the total expenditure will be Rs. 4,04 lakhs. On industrial estates the actual expenditure would be Rs. 1,31 lakhs as against Rs. 95 lakhs provided for the Five-Year period.

**Power.**

25. The development of power must keep pace with industrial expansion. The installed capacity of the Madras Grid was 2.56 lakh k.ws. at the end of the First Five-Year Plan. The Second Five-Year Plan proposed to enhance the installed capacity to 5.71 lakh k.ws. The Madras Plant Extension Scheme which was commissioned in 1958 has increased the capacity by 30,000 k.ws. The Periyar Hydro-Electric Project which has been completed recently has an installed capacity of 1.05 lakh k.ws. The Kundah Hydro-Electric Project is fast nearing completion. Nearly Rs. 10 crores worth of equipment has been



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received as assistance from the Canadian Government for this Project. The speed and skill with which the Kundah Project has been completed by our Engineers have earned the approbation of foreign experts who assisted in the construction. We should record our sincere appreciation of the good work turned out by our Engineers. The Project with an installed capacity of 1.8 lakh k.w.s. in two power houses will be inaugurated by the Prime Minister this month.

Rural electrification has been given prominence in our Power Programme. By the end of the First Five-Year Plan power was extended to about 4,000 villages and 32,000 pumpsets were connected. Five thousand thirteen villages have been connected in the first four years. One thousand more villages will be taken up in the final year. Thus by the end of the Second Five-Year Plan out of the 18,000 villages in our State about 10,000 villages would have received the benefit of electricity. In the first three years of the Second Plan, 47,000 pumpsets have been connected and in the remaining 2 years of the Plan 28,000 more pumpsets will be installed. Mention may also be made here of the provision of Rs. 25 lakhs to be lent to the State Electricity Board for being relent to the licensees for undertaking rural electrification programmes.

As against the provision of Rs. 53.25 crores for Power Development in the current Plan, Rs. 41.64 crores have been spent so far. In the current year against an original estimate of Rs. 11 crores it is now expected that Rs. 14 crores will be spent. The outlay in the next year is now expected to be Rs. 12 crores. The value of Canadian equipment on the Kundah Project has not been taken into account in the above calculation. When this sum is also added, we would be spending Rs. 77 crores as against Rs. 53 crores allotted originally in the Second Plan. Although our installed capacity has increased substantially as



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programmed, it is necessary to redouble our efforts in order to meet in full the demands of industrial development and rural electrification. But we have exhausted all the available hydro-electric resources. Further, since generation is dependent to a considerable extent on irrigation discharges, difficulties are experienced in summer months owing to inadequate storage in reservoirs. To some extent this difficulty will be overcome when the Neyveli Thermal Power Plant goes into commission. The installation of an Atomic Power Plant will go a long way towards solving this problem. We have also to investigate the seasonal uses of power during irrigation months. The inter-connection of our Grid with those of neighbouring States will enable the utilization of the power generated by all the neighbouring States in a rational manner and this question is now being considered.

Agricultural tariffs have been recently revised. Members may note that even with the slight increase, the rate charged is much less than the actual cost of generation of power. The Committee which was constituted to examine the minimum guarantee system has submitted its report and orders will be passed by the Government early.

**Technical  
Education.**

26. The expansion of technical education is a pre-requisite to industrial expansion. It was in this view that we proposed to establish several new Engineering Colleges, Polytechnics and Industrial Schools. In order to increase the number of engineering graduates, the number of admissions in the Guindy College was increased from 125 to 170 in 1956-57. It was further increased to 275 in 1957-58. The number of admissions in the Coimbatore College of Technology has been increased from 75 to 120. In 1960-61 we propose to increase by another 200 the admissions in the existing Colleges. The total admissions in Engineering Colleges will be 1,357 at the end of the Second Plan as against 637



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at the beginning of the Plan. Facilities for post-graduate education have also been made available in the Engineering College, Guindy. New Polytechnics have been started in the current Plan at Nagapattinam, Salem, Chettinad, Pollachi, Avadi, Virudhunagar, Thalayuthu, Annamalainagar, Kancheepuram, Vellore and Nagercoil. Two more Polytechnics are proposed to be started in 1960-61 at Sirkali and Gudiyatham. As against 1,122 admissions in Polytechnics at the beginning of the Second Plan period, the total at the end of the Plan would be 3,012.

We have now evolved a scheme for starting Junior Technical Schools making use of the facilities now available in Polytechnics. It is expected that a beginning can be made on this scheme in the coming year and carried forward into the Third Plan.

The Indian Institute of Technology established by the Central Government in Madras, began functioning in the current year and buildings for this Institute are under construction.

There are at present 10 Industrial Training Institutes and Centres of which four Institutes were started under the Second Plan and the remaining six were taken over from Government of India on 1st November 1956 and developed during the Plan period. The ten institutions are at Cuddalore, Nagapattinam, Virudhunagar, Pettai, Guindy, two at Madras, Madurai, Coimbatore and Nagercoil. The seating capacity available in all the ten Industrial Training Institutes|Centres is 2,668 out of which 1,212 seats were added under the Second Plan. It is proposed to increase further the seating capacity in seven of these Institutions by 500 seats in 1960-61. A provision of Rs. 8.80 lakhs has been made in the Budget for 1960-61 for this purpose. One more Industrial Training Institute is proposed to be opened at Nagercoil, Kanyakumari district, in



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1960-61, with a capacity of 200 trainees. A sum of Rs. 4.54 lakhs has been provided in the Budget for this Institute. The additional seating capacity provided in all the institutions during the Second Plan period will be 1,912.

**Handlooms.**

27. The number of handlooms in the State has been estimated at 4.6 lakhs. It was proposed to bring 2 lakh handlooms within the co-operative fold by the end of the Second Plan period. In the first four years, nearly 75,000 looms have been brought within the co-operative fold and another 18,000 will be added in 1960-61. A provision of Rs. 75 lakhs has been made for giving rebates on sales of handloom cloth in 1960-61. The following provisions made for schemes relating to the development of the handloom industry are significant:—

	(RS. LAKHS).
Research and technique .. .. .	9
Marketing and publicity .. .. .	7
Housing colonies for weavers .. .. .	15
Weavers' Industrial Co-operatives.. .. .	5
Development of Art Silk Industry .. .. .	6

As against Rs. 4.14 lakhs set apart for the development of handlooms in the Second Plan period, the amount spent in the first three years is Rs. 4.00 lakhs. Rs. 1.25 lakhs would be spent in the current year, and the provision for 1960-61 is Rs. 1.29 lakhs. Thus the total expenditure in the Plan period will go up to Rs. 6.54 lakhs.

**Khadi.**

28. Khadi schemes have been started to create increased employment opportunities in rural areas for the unemployed and underemployed. The Madras Government has given a prominent place to Khadi since 1947 itself. As a result of the efforts made in the last 12 years, 2.5 lakh persons have secured employment through these schemes. The Khadi schemes implemented in the private sector have also given gainful employment to many lakhs



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of the needy poor. The production of Government Khadi has been increasing steadily from year to year. Khadi of the value of Rs. 58.44 lakhs was produced in 1958-59. We expect that the production will go up to the level of Rs. 1 crore in the current year and will maintain the same level in the next year.

The Ambar Charkha Scheme is also developing steadily. Training for three months in spinning with the Ambar Charkha is now imparted in 30 Parishramalayas. Four hundred persons are trained in each Parishramalaya every year and 15,000 persons have received the training so far. It has been proposed to train 16,000 persons in 1960-61 and 9 new Parishramalayas will be opened for this purpose. Five lakh yards of cloth will be produced in the current year from Ambar yarn. We expect that this production will be doubled in the next year.

It is essential that the cloth produced under these schemes must be sold. Khadi emporia have been opened at a number of places for this purpose. In addition to the 38 sales emporia now in existence, 20 new emporia will be opened in 1960-61. Even in the first eight months of the current year, Khadi to the value of Rs. 61 lakhs has been sold as against Rs. 68 lakhs worth of Khadi sold during the whole of last year. We may therefore hope that Khadi to the value of Rs. 90 lakhs may be sold in the whole of the current year.

29. We have programmed to build 2,700 houses under the scheme for Subsidized Industrial Housing in the Second Plan period. Five hundred and sixteen houses have been completed in the first three years and 446 more houses will be constructed in the current year. We have made provision for constructing 1,350 houses in the next year. Under the Low-income Group Housing Scheme we had

Housing.



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planned to build 3,748 houses during the Plan period. 1,351 houses have been completed in the first three years and it is expected that 846 houses would be completed in the current year. A provision of Rs. 55 lakhs has been made for these schemes in 1960-61. The original Plan outlay for all housing schemes was Rs. 2,08.11 lakhs as against which the actual expenditure during the five years would be Rs. 2,78.67 lakhs. Under the Slum Improvement Schemes, we had planned to develop 6,970 plots and 2,600 tenements. In the first three years, 1,209 plots had been developed. In the current year 1,219 plots would be developed and 950 houses would be built. 2,740 developed plots would be laid and 1,134 houses would be built in 1960-61. Thus during the Plan period 5,168 developed plots and 2,084 houses will be made available. As against the provision of Rs. 1.68 lakhs in the Plan, it is now expected that the expenditure would be Rs. 1.69 lakhs.

**Roads.**

30. The State Highways Programme consisted of 10 miles of cement-concreting, 28 miles of asphalt-concreting and 325 miles of black-topping. In the first four years, 8 miles have been cement-concreted, 19 miles have been asphalt-concreted and 325 miles black-topped. In 1960-61, 3 furlongs will be cement-concreted, 5 miles asphalt-concreted and 22 miles black-topped. Under other roads, against 397 miles targeted to be metalled, 217 miles have been metalled during the first four years and 116 miles more will be taken up for metalling in the next year. Twenty-eight schemes of improvement of roads have been taken up and will be completed during this year. A further 14 schemes will be taken up in 1960-61. Out of 105 minor bridges and 46 major bridges targeted under the Plan, 82 minor bridges and 27 major bridges have been completed and 16 minor bridges and 16 major bridges would be taken up in the next year. As indicated in my last



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year's Budget speech, all major roads under the District Boards have been taken over by the Government for maintenance. The targets and achievements for the first four years on District Board works are indicated below:—

	Targets for 1956-61.	Achievements in 1956-60.
Black-topping, etc. (in miles) ..	74	102
New metalling (in miles) ..	708	667
Minor bridges (in numbers) ..	131	95
Major bridges (in numbers) ..	35	11
New roads (in miles) .. ..	1,700	947

The exact physical targets for 1960-61 have not been specifically determined.

A provision of Rs. 81 lakhs has been made for State Highways in 1960-61 including Rs. 5 lakhs for new schemes. Under the Central Road Fund Schemes, 266 miles were black-topped, 37 miles of new roads were laid, 25 minor bridges were built, 74 miles were metalled, 18 miles were cement-concreted and 24 major bridges were built in the first four years. The total expenditure on these works amounted to Rs. 2,04 lakhs. A further sum of Rs. 15 lakhs is being provided from the Central Road Fund for works in 1960-61.

31. Our Constitution has laid down that all children between the ages of 6 and 14 should receive free and compulsory elementary education before the end of 1960. In view of the practical difficulties in implementation, it would be difficult to attain this target before the end of 1960. Therefore this target has been modified and the present aim is that all children within the age-group 6-11 should be admitted to schools before the end of the Third Plan. We have been starting a large number of new elementary schools each year. Our original plan was to set up 1,735 additional classes each year and to enroll more than one lakh of children between the

Elementary  
Education.



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ages 6-14 every year. Six thousand and sixty-eight new classes have been started in the first three years and 4.23 lakhs of children were admitted. In the current year, 1,735 classes are being started and more than one lakh of children are being admitted. Steps are now being taken to introduce compulsory elementary education in the next year in one-third of the State for the age-group 6-7.

As a result of these efforts, it is expected that nearly 32 lakhs of children would be studying in classes I to V by the end of the Second Plan. Out of this, the number of children in the age-group 6-11 is expected to be 27.25 lakhs. The total number of children in the age-group 6-11 is estimated to be nearly 45 lakhs. Therefore, we will have to take steps for admitting 17 lakhs more children in schools and provision for this will be made in the Third Plan.

Compulsion alone will not take us to the target of complete enrolment. Poor children in particular will need the inducement of the midday meal which we are now organizing in our schools. Under this scheme, a very large number of poor children have voluntarily joined schools without any compulsion. The scheme is now being run with public participation on the basis of a contribution of 6 nP. by the Government and 4 nP. from the local people, making up a total cost of 10 nP. per meal. Up to the end of December 1959, midday meals are being served to nearly 7.5 lakhs of children in 21,347 primary schools all over the State. This figure includes the children studying up to the Eighth Standard.

There are still only about 1,000 more schools where this scheme has yet to be introduced and we may hope to cover these schools by the end of the year. A sum of Rs. 60 lakhs has been set apart in the current year's Budget for this scheme, but the



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provision will have to be increased. The Budget provision for next year is Rs. 80 lakhs but the actual expenditure may be nearer Rs. 1 crore. When all children in the age-group 6-11 are enrolled, there will be 50 lakhs of children in the first five standards. Out of this, a minimum of 17 lakhs will have to be given midday meals at a cost of Rs. 2 crores to the Government. A contribution of Rs. 1.5 crores per year should be found by the local people. The public enthusiasm for the midday meal schemes, gives me confidence that the target can be achieved.

It is but natural that certain defects are brought to light when a scheme of this vast magnitude is implemented. A Committee consisting of 3 Hon'ble Members of this House has been set up to examine these defects and to suggest remedial measures. I hope they will find it possible to examine the working of the scheme in a large number of schools before sending their report. It is very essential that the Members of this House should take a lively and personal interest on this matter because the scheme can be successfully implemented only with the whole-hearted co-operation of the general public.

Substantial efforts have been made through the School Improvement Scheme to meet the various demands for amenities of schools. More than 80 schools improvements conferences have been held so far. The people have come forward to take up various schemes costing about Rs. 4.5 crores. Out of this about Rs. 2 crores worth have already been secured in cash and in kind. I am confident that under the scheme it will be possible to secure popular contribution increasingly towards providing the essential amenities needed by schools. I would like to record our sincere appreciation of the good work done by the officers of the Education Department who have taken the initiative in implementing this scheme.



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A number of concessions have been extended to teachers towards improving their standard of living. During the last four years, their emoluments have been increased by Rs. 17 per mensem at a cost of Rs. 2 crores per annum to the Government. The Pay Commission is now considering what further concessions should be extended to teachers.

Secondary  
Education.

32. Four hundred and fifty additional classes were proposed to be started and 18,000 students admitted in the IV, V and VI Forms in secondary schools in the Second Plan. So far 552 additional classes have been opened and 22,000 students admitted in secondary schools. More additional classes will be opened in 1960-61 for which adequate provision has been made in the Budget. Many schemes to improve the quality of teaching are also under implementation.

Develop-  
ment of  
Tamil.

33. The Tamil Language Research and Development Council has been established for preparing and implementing schemes for the development of the Tamil language. This Council is going into the various problems and formulating schemes for the proper development of the Tamil language. I may mention here the important decision to make Tamil the medium of instruction in the B.A. classes. From next year onwards, instruction in the B.A. first year course in Coimbatore Government Arts College will be given in Tamil. The necessary text-books in Tamil for this purpose are being prepared now. It has been decided, in consultation with the Vice-Chancellors of the Madras and Annamalai Universities, that with effect from 1963-64 the medium of instruction in all Colleges for the B.A. course should be Tamil. However, in respect of scientific and technical education, English will continue to be the medium of instruction for some more time. Changes in this direction should be introduced only on an all-India basis.



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It is necessary that steps should be taken simultaneously to ensure that our students have a better grasp of the English language. With this in view, arrangements are being made for the proper teaching of English even from the lower standards. So far, English was being taught in primary schools from the Sixth Standard onwards. From next year English will be taught from the Fifth Standard itself. In order to improve the teaching of English in schools we have introduced a scheme with the assistance of the British Council for re-training teachers of secondary grade schools in the teaching of English. Within a period of two years all secondary grade teachers will be re-trained under this scheme.

34. The schemes for the improvement of Harijans and Backward Classes continue to be implemented. The amount spent by the Central Government for scholarship for these classes has now been entrusted to this Government and it is hoped that the delays experienced in the disbursement of scholarship to these students will be eliminated. Fourteen thousand students are now drawing boarding grants. Under the scheme for taking over Harijan hostels, 96 hostels have been taken over so far. Thirty-one more will be taken over in 1960-61.

Welfare of  
Harijans  
and Back-  
ward  
Classes.

35. In order to render medical facilities to people in villages, 122 Primary Health Centres have been established so far in Community Development Blocks. Twenty more Primary Health Centres will be opened in 1960-61. Residential buildings for the doctors and other staff working in 112 Primary Health Centres are being built. We have decided to give a compensatory allowance of Rs. 100 per mensem to the doctors working in Primary Health Centres. As a result of these incentives we may hope to get an adequate number of doctors to work

Medical and  
Public  
Health.



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in these Primary Health Centres. Steps have also been taken to expand and improve the hospitals in District headquarters. At the beginning of the Second Five-Year Plan, the total bed strength of our hospitals was 9,812. This number will increase to 15,000 by the end of the Plan. New hospital buildings are being constructed at Chingleput, Palayamkottai and Ramanathapuram. All taluk headquarters hospitals have been provincialised. Steps are also being taken to expand and increase the facilities in the taluk headquarters hospitals. Rs. 3.15 lakhs would be spent within the Plan period on the various building schemes of the medical department.

An intensive Malaria Eradication Programme has been taken up and a sum of Rs. 1.14 lakhs will be spent on it during the current year and Rs. 1.04 lakhs in 1960-61.

The various Family-Planning Schemes are also progressing satisfactorily. Twenty-six Urban Family-Planning Centres and 64 Rural Family-Planning Centres are now functioning in the districts. In Madras City 43 Family-Planning Centres for mothers and 32 Family-Planning Centres for fathers have been organized.

Many schemes are being implemented for providing drinking water facilities in rural areas. Eight thousand five hundred wells and 340 composite schemes have been programmed for the Plan period and they will all be completed in time. The National Water-Supply Programme for prevention of water-borne diseases in villages lying on the river banks is making satisfactory progress. This scheme originally started in South Arcot, Thanjavur, Tiruchirappalli, Tirunelveli and Ramanathapuram districts, has now been extended to Madurai, North Arcot and Chingleput districts. By the end of the



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current year, protected water-supply will be extended under this scheme to 334 villages. The urban water-supply programme is also making fair progress. By the end of the Second Plan, protected water-supply will be available in 50 Municipal towns and 15 Major Panchayats to benefit 32 lakhs of people.

36. A publication giving a detailed account of the various schemes undertaken in the Second Plan has been separately circulated to all Hon'ble Members. The cost of the Second Plan as originally framed was Rs. 152 crores. The Plan expenditure for each year has been as follows:—

Second Five-Year Plan.

	(RS. IN CRORES.)
1956-57 .. .. .	28.7
1957-58 .. .. .	30.3
1958-59 .. .. .	34.6
1959-60 (Revised Estimate) .. ..	39.5
1960-61 (Budget Estimate) .. ..	38.4
	<hr/>
	171.5
Add—Cost of Canadian equipment for Kundah Project adjusted in 1959-60.	9.3
	<hr/>
	180.8

It may be noted that the increases in outlay are mainly on productive works of a capital nature. The main increases are indicated below:—

	(RS. IN LAKHS.)
Power .. .. .	24,00
Agriculture and Community Development .. ..	3,00
Irrigation .. .. .	2,00
Industries .. .. .	3,00
Education .. .. .	2,00
Health and Housing .. .. .	1,00
	<hr/>
	35,00



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The Plan outlay has been financed as follows:—

		(RS. IN CRORES.)	
		As originally envisaged.	Likely actuals.
Total Plan outlay	.. ..	1,52	1,81
Proceeds of additional taxation.		13	20
Open market loans including loans raised by the Electricity Board	.. ..	33	47.22
Share of small-savings	.. ..	8	10
State's budgetary resources including resources of the Electricity Board	.. ..	25	14
Loans and grants from the Central Government	.. ..	73	90
		1,52	1,81

The contribution from our budgetary resources has been Rs. 14 crores as against our original anticipation of Rs. 25 crores. The main reason for this shortfall has been the increases in dearness allowances given to Government servants and school teachers during the Plan period as indicated below:—

	Per year.	During the Plan period.	
		(RS. IN CRORES.)	
Increase given in November 1956 (Rs. 5 to 7 per head).	2	$2 \times 4\frac{1}{2} = 9.0$	
Increase given in March 1957 (Rs. 7 to 5).	1.8	$1.8 \times 4 = 7.2$	
Increase given in January 1959 (Rs. 5 per head).	1.8	$1.8 \times 2\frac{1}{2} = 4.0$	
		20.2	

We have spent Rs. 20.2 crores during the Plan period on wage-increases. Towards this, the Union Government have given us an assistance of Rs. 9 crores.



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37. We have appointed a Pay Commission to examine and make suitable recommendations on the structure of emoluments of Government servants, local board employees and teachers. This Commission is likely to present its report very soon and when it is received, the Government will consider the recommendations carefully and sympathetically and take decisions. The expenditure arising from these decisions will be an extra charge on our resources during the coming year and all through the Third Plan period.

38. By these enhancements of the emoluments of Public Servants, the cost of administration goes up by many crores of rupees. It is imperative that we should examine this question carefully. This continuous upward trend in prices is causing hardship to the fixed income groups. Workers in Industry are no less affected by the pressure of prices. The consequent wage-demands may be just and difficult to resist, but the measure of relief does not often keep pace with the increase in prices, leaving behind a sense of frustration. A further consequence is the rise in the price of manufactured goods which in turn leads to inflationary conditions wherein prices and wages chase each other. To meet the additional salary-bill, the Government are constrained to resort to fresh taxation. The fact that the proceeds of this additional taxation are expended on infructuous outlay on establishments, instead of on supplies and services to the people, arouses a measure of popular discontent. Further, we are not in a position to complete the various development projects within the estimated costs. Even though the financial targets are reached, the benefits fall short of original expectations. Increases in the wage-bill, without corresponding production, reduce the margin of profits and savings available for expansion of existing industries and

Prices.



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the starting of new ones. That is why I had stressed the dangers of uncontrolled rise in prices in my last Budget speech. We must take heed of the inherent contradiction between planned development and uncontrolled prices. Now that we are formulating the Third Plan, I would like to reiterate that we should take note of our experiences during the Second Plan, and devise special measures to stabilize the price level, especially that of the prime necessities of life.

**Third Plan.**

39. It will be clear from the details of the achievements on the Second Plan, that in many spheres of development we have exceeded the Plan targets. A fair measure of credit for this satisfactory performance is due to our administrative organization. All our departments have worked with enthusiasm and efficiency to achieve the respective targets set for them. It used to be the complaint before that works were rushed through towards the end of the year and were executed in haste. But now arrangements have been made to set quarterly targets so that works are evenly spread over the whole working season. Performances are being reviewed every quarter at the meetings of the State Development Committee held at frequent intervals. Bottlenecks in execution are discussed and cleared at these periodic meetings. Even so certain old-fashioned procedures still stand in the way of quick execution. Some of the rules and procedures will have to be changed to suit the requirements of planned development. We will also have to delegate wider powers specifically so that responsibility for the execution of a job can be fixed clearly on an individual or institution. In order to implement with speed and efficiency the many large schemes of the Third Plan, we will have to change the out-of-date departmental procedures and reorientate the administrative machinery so that it responds quickly and efficiently to the aspirations of the people and the policy directives of the Government.



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All these factors have to be borne in mind in formulating the Third Plan. A Committee of the Legislature including representatives of all political parties, has been constituted to advise the Government regarding the details of the Third Plan. I am confident that with the co-operation of this Committee, a well-considered and practicable Plan of development can be framed soon.

40. When I presented the Budget last year, the Revised Estimates for 1958-59 was expected to show a revenue of Rs. 69,49 lakhs and an expenditure of Rs. 66,84 lakhs leaving a surplus of Rs. 2,65 lakhs. The final accounts of 1958-59 have now been received and they show that the receipts stood at Rs. 69,95 lakhs and the expenditure at Rs. 68,35 lakhs leaving a surplus of Rs. 1,60 lakhs. The main reason for the larger expenditure was the increase of Rs. 5 per mensem in dearness allowance given to non-gazetted Government servants, local board employees and teachers with effect from the pay drawn for December 1958. We had also to spend Rs. 35 lakhs more on rebates on sale of handloom cloth and Rs. 71 lakhs more on buildings and roads. The cash balance at the end of the year was Rs. 3,28 lakhs.

41. In my last Budget speech, I had estimated that receipts for the current year will be Rs. 73,08 lakhs and the expenditure will be Rs. 71,69 lakhs. In this estimate I had not taken into account the increased rates of dearness allowance given with effect from the pay drawn for December 1958. This concession is estimated to cost Rs. 1,80 lakhs. The Revised Estimate shows that receipts stand at Rs. 78,30 lakhs and expenditure at Rs. 77,72 lakhs, leaving a surplus of Rs. 58 lakhs. The State's share of Central Taxes is now expected to be Rs. 75 lakhs more than the Budget Estimates. Under State Taxes we expect Rs. 41 lakhs more under Motor



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Vehicles Tax, Rs. 20 lakhs more under Central Sales Tax, Rs. 15 lakhs more under Entertainment Tax and Rs. 43 lakhs more under Stamps. The balance of the increased receipts is mainly under non-tax items.

We may also note that the Plan expenditure has increased side by side with the increase in receipts. The Revised Estimate shows that the expenditure on the Revenue Account stands at Rs. 77,72 lakhs, i.e., an excess of Rs. 6,03 lakhs over the Budget Estimates. If we exclude the cost of the new concession to public servants, the increase in expenditure will be Rs. 4,23 lakhs. The main components of this increase are—

Rs. 1,49 lakhs under Education.

Rs. 1,16 lakhs under Public Health.

Rs. 58 lakhs under Community Development.

Rs. 71 lakhs under Civil Works.

An increase of Rs. 75 lakhs is accounted for by the fresh transfer to the Contingency Fund, to increase the size of that Fund to Rs. 1,50 lakhs. The amount set apart for Local Development Works during the year is Rs. 56 lakhs.

Capital  
expendi-  
ture,  
1959-60.

42. We had estimated the Capital Expenditure in 1959-60 at Rs. 10,59 lakhs. It is now expected that the expenditure would be Rs. 12,77 lakhs. The main increases in expenditure are Rs. 31 lakhs for Zamindari Abolition, Rs. 85 lakhs for Irrigation mainly for the Parambikulam-Aliyar Project, and Rs. 1,20 lakhs for the investment in the share capital of the Madras State Co-operative and Central Banks. The details of the Capital Expenditure are given in the Budget Memorandum. The expenditure on Power Development is borne by the State Electricity Board. As against the Budget Estimate of Rs. 11 crores, we would be spending Rs. 14 crores excluding the expenditure on equipment received



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from Canada for the Kundah Project amounting to Rs. 9,34 lakhs. We have set apart Rs. 18,84 lakhs for loans to the State Electricity Board.

The ways and means position for the current year has been generally satisfactory. It is expected that the Cash Balance at the end of the year would be Rs. 3,73 lakhs.

43. The Budget for 1960-61 estimates the receipts under Revenue Account at Rs. 80,87 lakhs and the expenditure on Revenue Account at Rs. 81,21 lakhs. This has resulted in a Revenue deficit of Rs. 34 lakhs. This small deficit is insignificant in a Revenue Budget of the order of Rs. 81 crores.

The receipts for the next year are expected to be Rs. 2,57 lakhs more than the receipts anticipated in the Revised Estimates for the current year. The increases are expected to be under share of Central Taxes (Rs. 64 lakhs), General Sales Tax (Rs. 38 lakhs), Stamps (Rs. 25 lakhs), Motor Vehicles Tax (Rs. 11 lakhs), Interest (Rs. 85 lakhs) and on other items (Rs. 34 lakhs). The expenditure on Revenue Account will be Rs. 3,49 lakhs more than in the current year. The main increases will be on Debt Services (Rs. 1,71 lakhs), Education (Rs. 72 lakhs), Industries (Rs. 80 lakhs) and Community Development (Rs. 25 lakhs). The variations between the Revised Estimates for 1959-60 and the Budget Estimates for 1960-61 have been discussed in detail in the Budget Memorandum.

The provisions made in the Budget for 1960-61 on the main items of development expenditure are as follows:—

	(RS. IN LAKHS.)
Education and Scientific Departments ..	15,53
Medical .. .. .	4,80
Public Health .. .. .	2,08
Agriculture .. .. .	3,12



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(RS. IN LAKHS.)

Animal Husbandry	.. .. .	1,11
Co-operation	.. .. .	1,88
Industries and Supplies	.. .. .	4,89
Harijan Uplift	.. .. .	2,95
Community Development and National Extension Service.		3,31

Local  
Develop-  
ment  
Works.

44. During 1959-60, the Local Development Works was restricted to Rural Water-supply Schemes and other works for which commitment has been entered into in earlier years. However, in 1960-61 the scope of the Local Development Programme will be extended to cover besides drinking water-supply schemes in individual villages, roads linking villages to the nearest main road or railway station and village schools.

A provision of Rs. 3 crores has been included in the Government of India's Budget for this programme. We expect that the allocation to this State will be of the order of Rs. 50 lakhs. In addition we have provided Rs. 25 lakhs from the State Government's Funds for this purpose. We will therefore be taking up a Local Development Works Programme of the order of Rs. 75 lakhs in 1960-61.

Capital  
Expendi-  
ture.

45. The Capital Expenditure for the year 1960-61 is fixed at Rs. 10,85 lakhs made up of Rs. 3,70 lakhs on buildings and roads; Rs. 1,71 lakhs on Irrigation; Rs. 1,06 lakhs on Minor Irrigation; Rs. 1,69 lakhs on Industrial development; Rs. 53 lakhs on the purchase of buses and the balance on miscellaneous items. The expenditure on Power Development is expected to go up to Rs. 12,07 lakhs. The balance of the requirements over and above the loans from Government will be met by the Electricity Board from its own resources.

Loans and  
Advances.

46. Rupees 16,46 lakhs have been set apart for loans and advances during 1960-61, out of which Rs. 5,66 lakhs will be given as loans to the Electricity



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Board, Rs. 84 lakhs to the Madras City Corporation, Rs. 74 lakhs to the City Improvement Trust, Rs. 1,48 lakhs for water-supply and drainage schemes to the various local bodies, Rs. 2,68 lakhs to cultivators, Rs. 28 lakhs for Industrial Development, Rs. 24 lakhs for Handloom Weavers' Co-operative Societies, Rs. 85 lakhs for housing and Rs. 1,20 lakhs for Community Development.

47. We have to repay Rs. 7,17 lakhs on account of **Resources.** the open market loans maturing in 1960-61. The share of this Government will be Rs. 3,66 lakhs. The balance is to be borne by the States of Andhra Pradesh, Kerala and Mysore. It is proposed to raise an open market loan of Rs. 10 crores for meeting the capital and other expenditure of the next year.

48. The Madras Sales Tax Act as amended has **Concessions.** come into effect from 1st April 1959. We had promised this House that we would review after one year of working the various problems arising from its implementation. We had also assured the House that if any reduction or relief in tax was called for, such proposals could be discussed by the House. Accordingly, the Government have decided to exempt the following commodities from sales tax:—

- (1) Vegetables, potatoes, fruits, betel, plantainleaf, flowers, eggs, meat and fish.
- (2) Oil from country chekkus.
- (3) Greenleaf tea.

49. My speech this year has become longer than **Acknowledg-** usual and I hope the honourable Members will **ments.** forgive me for this. Before I conclude, I wish to tender my heartfelt thanks to all officers and staff of the Finance Department who have been of great



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help to me in my work. From this year, Sri T. A. Varghese is in charge of the Planning Department as well. We may record our appreciation of the valuable services rendered by Sri T. A. Varghese and his assistants Sri S. Venkitaramanan and Sri S. Guhan in formulating our development plans and managing our finances.

With these words, Sir, I commend the Budget Estimates for 1960-61 for consideration and acceptance by the House.

